

**FORM
INSP**Rev
X/20**State of Colorado
Oil and Gas Conservation Commission**1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109

Inspection Date:

08/10/2021

Submitted Date:

08/11/2021

Document Number:

696203029

FIELD INSPECTION FORMLoc ID 335904 Inspector Name: Trujillo, Aaron On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**

OGCC Operator Number: 10456

Name of Operator: CAERUS PICEANCE LLC

Address: 1001 17TH STREET #1600

City: DENVER State: CO Zip: 80202

Status Summary:

- ☒ THIS IS A FOLLOW UP INSPECTION
- ☒ FOLLOW UP INSPECTION REQUIRED
- ☐ NO FOLLOW UP INSPECTION REQUIRED

Findings:

12 Number of Comments

4 Number of Corrective Actions

- ☒ Corrective Action Response Requested

**ANY CORRECTIVE ACTION(S) FROM
PREVIOUS INSPECTIONS THAT HAVE NOT
BEEN ADDRESSED ARE STILL APPLICABLE****Contact Information:**

Contact Name	Phone	Email	Comment
Pesicka, Conor		conor.pesicka@state.co.us	
Katz, Aaron		aaron.katz@state.co.us	
De Paolo, Corey		corey.depaolo@state.co.us	
, "		COGCC.inspections@caerus oilandgas.com	All Inspections

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
291804	WELL	TA	04/01/2021	GW	045-14529	SGU CP08A-35 G35 49	TA
335904	LOCATION	AC			-	NPM G35-496 Pad	RI

General Comment:

On 8/10/2021, Reclamation Specialist Trujillo inspected Caerus Piceance LLC's NPM G35-496 Location in Garfield County, Colorado. This inspection is a followup to #696202986 regarding Location signage concerns from the Operator.

This inspection is a followup to #696202722 and #696202986 to document compliance with the following corrective actions:
605.g: Signs and Markers
1002.b: Soil salvage and segregation 1002.c: Protection of soils
1002.f: Stormwater

It was observed in this inspection that signage has been installed at the Location's entrance, and along the access road north of the Location.

Corrective actions regarding soil salvage, segregation, protection of soils, reclamation and stormwater have not been addressed and remain applicable.

A leak was observed at well API 05-045-14529; Reclamation Specialist provided notice of the leak via the emergency number on the well sign.

Refer to the "Location", "Related Facilities" and "Reclamation" sections of this inspection report for additional details.

Refer to the photo-documentation of the observed compliance issues attached to this report.

Any corrective action(s) from previous inspections that have not been addressed are still applicable.

A follow up inspection on this site will be conducted to ensure the compliance issues have been corrected to comply with COGCC rules.

LocationOverall Good: ☐**Signs/Marker:**

Type OTHER

Comment: Previous inspections observed that the sign at the Location entrance was not legible. Inspections required Operator to comply with Rule 605.

It was observed that new signage has been installed at the Location entrance, and along the access road north of the Location; this corrective action has been addressed.

Corrective Action:

Date:

Emergency Contact Number:

Comment: 970-285-2615 at Location entrance; 1-800-791-7691 at wellhead.

Reclamation Specialist contacted Operator via the 1-800 emergency number regarding a leak observed at well API 05-045-14529; Reclamation Specialist was immediately able to get in contact with Operator.

Corrective Action:

Date:

Overall Good: ☐**Spills:**

Type

Area

Volume

In Containment: No

Comment:

☐ Multiple Spills and Releases?**Equipment:**

corrective date

Type: Bradenhead

#

Comment: Gas was observed to be leaking from what appears to be the bradenhead at well API #05-045-14529; cellar filled with fluids. See photo 6.

Operator was contacted via the emergency number, and was provided notice of the leak.

Records show well status "TA". Access to the wells is currently limited/restricted due to the contouring during recent pad expansion. See photos 7

This issue is being referred to the Regional Field Inspector and the West Area Engineer.

Corrective Action: Securely fasten all valves, pipes, fittings, and Production Facilities to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 608.e.

Date: 08/12/2021

Venting:

Yes/No

Comment:

Corrective Action:

Date:

Flaring:

Type

Comment:

Corrective Action:

Date:

Inspected Facilities									
Facility ID:	<u>291804</u>	Type:	<u>WELL</u>	API Number:	<u>045-14529</u>	Status:	<u>TA</u>	Insp. Status:	<u>TA</u>
Facility ID:	<u>335904</u>	Type:	<u>LOCATION</u>	API Number:	<u>-</u>	Status:	<u>AC</u>	Insp. Status:	<u>RI</u>

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Reclamation - Storm Water - Pit**Interim Reclamation:**

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: OTHER, RANGELAND

Comment: _____

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment _____

Corrective Action _____

Date _____

1002b. SOIL REMOVAL AND SEGREGATION FailComment [See "COGCC Comments" #1 for comments regarding Protection of Soils.](#)Corrective Action [Comply with Rule 1002.b.\(2\) and 1002.c.](#)Date **06/27/2021**1002c. PROTECTION OF SOILS FailComment [See "Stormwater" and 1002.b](#)

Corrective Action _____

Date _____

1002E. SURFACE DISTURBANCE MINIMIZATION _____

Comment _____

Corrective Action _____

Date _____

1003a. Waste and Debris removed? _____

Comment _____

Corrective Action _____

Date _____

Unused or unneeded equipment onsite? _____

Comment _____

Corrective Action _____

Date _____

Pit, cellars, rat holes and other bores closed? _____

Comment _____

Corrective Action _____

Date _____

Guy line anchors marked? _____

Comment _____

Corrective Action _____

Date _____

- 1003b. Area no longer in use? Fail Production areas stabilized ? _____
- 1003c. Compacted areas have been cross ripped? _____
- 1003d. Drilling pit closed? _____ Subsidence over on drill pit? _____
- Cuttings management: _____
- 1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? _____
- Production areas have been stabilized? _____ Segregated soils have been replaced? _____

RESTORATION AND REVEGETATIONCropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003e. INTERIM VEGETATION TRANSECT

TRANSECT RESULTS OF DISTURBED AREA% _____

TRANSECT RESULTS OF REFERENCE AREA% _____

TOTAL % OF DESIRABLE VEGETATION COVER _____

VEGETATIVE COVER _____

1003 f. Weeds Noxious weeds? _____

Comment [See "COGCC Comments" #2, for comments regarding construction and interim reclamation of the Location.](#)

Corrective Action Comply with Rule 406.e.(4).

Date 07/08/2021

Overall Interim Reclamation Fail

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: RANGELAND

Reminder: _____

Comment: _____

Well plugged _____ Pit mouse/rat holes, cellars backfilled _____

Debris removed _____ No disturbance /Location never built _____

Access Roads Regraded _____ Contoured _____ Culverts removed _____

Gravel removed _____

Location and associated production facilities reclaimed _____ Locations, facilities, roads, recontoured _____

Compaction alleviation _____ Dust and erosion control _____

Non cropland: Revegetated 80% _____ Cropland: perennial forage _____

Weeds present _____ Subsidence _____

1004.d. FINAL VEGETATION TRANSECT

TRANSECT RESULTS OF DISTURBED AREA% _____

TRANSECT RESULTS OF REFERENCE AREA% _____

TOTAL % OF DESIRABLE VEGETATION COVER _____

VEGETATIVE COVER _____

Comment: _____

Corrective Action: _____

Date _____

Overall Final Reclamation _____

Well Release on Active Location ☐

Multi-Well Location ☐

Storm Water:

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment

Comment: See "COGCC Comment" #3 for comments regarding Stormwater.

Corrective Action: Install or repair required BMPs per Rule 1002.f.(2)C. Ensure control measures are adequate for the site's conditions, implemented in accordance with good engineering practices, and maintained in proper functioning condition.

Date: 05/29/2021

Pits: ☐ NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
<p>Comment #3: STORMWATER COMMENTS</p> <p>Previous inspections observed that stormwater and erosion control measures on the Location's perimeter, and to stabilize/protect slopes of the Location were missing, or insufficient. It was observed in this inspection that the Location remains out of compliance with stormwater rules and corrective actions:</p> <p>Control measures to protect and stabilize the cut/fill slopes of the Location remain missing or insufficient; hydromulch implemented on topsoil/soil stockpiles remains in an improper functioning condition; Topsoil remains in use as a berm and sediment trap/pond to manage stormwater.</p> <p>Corrective action has not been addressed and remains applicable.</p>	trujilloam	08/11/2021
<p>Comment #2: CONSTRUCTION AND RECLAMATION COMMENTS</p> <p>Previous inspections observed that the construction Location has been completed for the well site, and the frac support pad on the NW end of the Location. Inspection noted that no drilling or subsequent operations were observed or ongoing; conductors have been set with 1/8/2021 as the cement date for the last conductor; pursuant to Rule 406.e.(4), if wells have not been drilled within 6 months of setting the conductors (July, 2021), conductors will require plugging and Location reclaimed in accordance with 1003 Rules. If continuous drilling operations are not planned, Operator will be required to comply with the Interim Reclamation, Delayed Operations NTO.</p> <p>It was observed in this inspection that ongoing/continuous drilling or subsequent operations have not been performed, and no "Interim Reclamation, Delayed Operations NTO" has been approved for this Location.</p>	trujilloam	08/11/2021
<p>Comment #1: SOIL REMOVAL, SEGREGATION AND PROTECTION OF TOPSOIL</p> <p>Previous inspections observed that Operator salvaged and placed topsoil along the perimeter of the Location; topsoil has been utilized at the base of the fill slopes/subsoils of the Location as a berm and sediment trap/pond to manage stormwater. Topsoil has not been properly separated and protected, is being mixed with subsoil, and is at risk for loss due to stormwater discharge displacing the topsoil. Operator was notified in inspection that utilization of topsoil as stormwater control measures does not comport with Rule 1002.b and 1002.c; Operator was required to comply with Rule 1002.b.(2) and 1002.c.</p> <p>It was observed in this inspection that the Location remains out of compliance with Rule 1002.b.(2) and 1002.c; topsoil remains in place along perimeter of the Location, and in use as a berm and sediment trap/pond to manage stormwater. Corrective action has not been addressed and remains applicable.</p>	trujilloam	08/11/2021

Attached Documents

You can go to COGCC Images ([https://cogcc.state.co.us/weblink/](https://cogcc.state.co.us/webblink/)) and search by document number:

Document Num	Description	URL
402777365	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5503934
696203030	Leak at well	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5503929
696203032	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5503930